

Yeas—24

Aikin	Lock
Ashley	Martin
Bell	McDonald
Bullock	Morris
Carney	Phillips
Colson	Proffer
Corbin	Shofner
Hardeman	Strauss
Hazlewood	Taylor
Hudson	Tynan
Jones	Vick
Kelly of Tarrant	Weinert

Absent

Bracewell	Moffett
Cousins	Moore

Absent—Excused

Harris	Lane
Kelley of Hidalgo	

The President then laid the bill before the Senate on its third reading and final passage.

The bill was read third time and was passed by the following vote:

Yeas—24

Aikin	Martin
Ashley	McDonald
Bell	Moore
Bullock	Morris
Carney	Phillips
Colson	Proffer
Corbin	Shofner
Cousins	Strauss
Hardeman	Taylor
Hudson	Tynan
Jones	Vick
Kelly of Tarrant	Weinert

Absent

Bracewell	Lock
Hazlewood	Moffett

Absent—Excused

Harris	Lane
Kelley of Hidalgo	

House Bill and Resolution on First Reading

The following bill and resolution received from the House, were laid before the Senate, read severally the first time and referred to the committees indicated:

H. B. No. 320, to Committee on Finance.

H. J. R. No. 5, to Committee on Constitutional Amendments.

Senate Resolution 21 Ordered Not Printed

On motion of Senator Phillips, Senate Resolution 21 was ordered not printed.

Hour for Executive Session

On motion of Senator Strauss, the Senate agreed to hold an executive session at 11:30 a.m., Monday, March 21, 1949.

Resolutions Signed

The President signed in the presence of the Senate, after giving due notice thereof, the following resolutions:

S. C. R. No. 26, Invitation to Honorable Perry Brown, National Commander of American Legion, to address joint session of the Legislature.

S. C. R. No. 27, In memory of Judge E. A. Berry, Sr.

S. C. R. No. 28, Fixing time for a Joint Session of the Legislature to hear an address by Honorable Luther H. Evans.

Adjournment

On motion of Senator Martin, the Senate at 11:15 o'clock a.m., adjourned until 10:30 o'clock a.m. Monday, March 21, 1949.

Record of Vote

Senator Phillips asked to be recorded as voting "nay" on the motion to adjourn.

THIRTY-EIGHTH DAY

(Monday, March 21, 1949)

The Senate met at 10:30 o'clock a.m., pursuant to adjournment, and was called to order by the President.

The roll was called and the following Senators were present:

Aikin	Jones
Ashley	Kelley of Hidalgo
Bell	Kelly of Tarrant
Bracewell	Lane
Carney	Lock
Colson	Martin
Corbin	McDonald
Cousins	Moffett
Hardeman	Morris
Harris	Phillips
Hazlewood	Proffer
Hudson	Shofner

Strauss
Taylor

Tynan
Vick

Absent—Excused

Bullock
Moore

Weinert

A quorum was announced present.

At the request of the President, Mr. N. B. Hardeman, president of Freed Hardeman College of Henderson, Tennessee, offered the invocation.

On motion of Senator Lane and by unanimous consent, the reading of the Journal of the proceedings of Thursday, March 17, 1949, was dispensed with and the Journal approved.

Leaves of Absence Granted

Senator Bullock was granted leave of absence for today on account of important business on motion of Senator Hudson.

Senator Moore was granted leave of absence for today on account of important business on motion of Senator Corbin.

Senator Weinert was granted leave of absence for today on account of important business on motion of Senator Lane.

Reports of Standing Committees

Senator Proffer submitted the following report:

Austin, Texas,
March 17, 1949

Hon. Allan Shivers, President of the Senate.

Sir: We, your Committee on Education, to whom was referred Senate Bill No. 378, have had same under consideration and beg to report it back to the Senate with the recommendation that it do pass and be printed.

PROFFER, Chairman

Senator Tynan submitted the following reports:

Austin, Texas
March 17, 1949

Hon. Allan Shivers, President of the Senate.

Sir: We, your Committee on Criminal Jurisprudence, to whom was referred H. B. No. 83, have had the same under consideration, and I am instructed to report it back to the

Senate with the recommendation that it do pass and be printed.

TYNAN, Chairman

Austin, Texas
March 17, 1949

Hon. Allan Shivers, President of the Senate.

Sir: We, your Committee on Criminal Jurisprudence, to whom was referred S. B. 100, have had the same under consideration, and I am instructed to report it back to the Senate with the recommendation that it do pass and be printed.

TYNAN, Chairman

Communication

The President laid before the Senate and directed the Secretary to read the following communication:

2505 Rio Grande St.
Austin, Texas,
March 20, 1949.

The Texas State Senate
The Right Honorable Allan Shivers
Lt. Governor
Austin, Texas

Dear Sirs:

I understand someone has "lifted" our Confederate flag from the seven in the Senate Room. I know that it would be almost a sacrilege in the eyes of a few of the old veterans in the Confederate home to think that the Senate would stand session without it.

I am enclosing my personal "Stars and Bars" to make up for the loss until the original flag is returned.

Respectfully,

STAYNER A. DUGAN
Just a Ceramic Engineering Student

Senate Bill 405 on First Reading

Senator Kelley of Hidalgo moved that Senate Rule 114 and Section 5 of Article III of the Constitution be suspended to permit his introducing at this time a bill, the provisions of which he explained.

The motion prevailed by the following vote:

Yeas—28

Aikin
Ashley
Bell

Bracewell
Carney
Colson

Corbin	Martin
Cousins	McDonald
Hardeman	Moffett
Harris	Morris
Hazlewood	Phillips
Hudson	Proffer
Jones	Shofner
Kelley of Hidalgo	Strauss
Kelly of Tarrant	Taylor
Lane	Tynan
Lock	Vick

Absent—Excused

Bullock	Weinert
Moore	

By Senator Kelley of Hidalgo:

S. B. No. 405, A bill to be entitled "An Act to amend Subdivision 107 of Article 199 of the Revised Civil Statutes of Texas, 1925, as amended by H. B. No. 574, Chapter 300, Acts of the Regular Session of the 49th Legislature, 1945, by adding thereto another Section to be known as Section 5a, providing for certain County Court jurisdiction in Willacy County to be placed in the 107th District Court; removing such jurisdiction from the County Court of Willacy County; providing for the transfer of cases from said County Court to said District Court; repealing all laws in conflict herewith the extent of such conflict and making this Act cumulative of all existing laws governing such Courts; providing a severability clause; and declaring an emergency."

To Committee on Judicial Districts.

Senate Bill 406 on First Reading

Senator Kelley of Hidalgo moved that Senate Rule 114 and Section 5 of Article III of the Constitution be suspended to permit his introducing at this time a bill, the provisions of which he explained.

The motion prevailed by the following vote:

Yeas—28

Aikin	Hudson
Ashley	Jones
Bell	Kelley of Hidalgo
Bracewell	Kelly of Tarrant
Carney	Lane
Colson	Lock
Corbin	Martin
Cousins	McDonald
Hardeman	Moffett
Harris	Morris
Hazlewood	Phillips

Proffer	Taylor
Shofner	Tynan
Strauss	Vick

Absent—Excused

Bullock	Weinert
Moore	

By Senator Kelley of Hidalgo:

S. B. No. 406, A bill to be entitled "An Act to amend Article 5921 of the Revised Civil Statutes of Texas, 1925, as amended, so as to provide that minors above the age of eighteen (18) years, who are in the Armed Forces, and those above the age of eighteen (18) years who have been discharged from the armed forces of the United States, may have their disabilities of minority removed under certain conditions; providing that this Act shall be cumulative; and declaring an emergency."

To Committee on Civil Jurisprudence.

Senate Bill 407 on First Reading

The following local bill was introduced, read first time and referred to the committee indicated:

By Senator Morris:

S. B. No. 407, A bill to be entitled "An Act providing an open season for hunting, taking, and killing quail in Hunt County, Texas; fixing the days on which such hunting is permitted; fixing the limit on the number of quail killed or that any person may have in possession at any time; making said Act applicable to all varieties of quail; fixing a penalty; repealing all laws in conflict with this Act; and declaring an emergency."

To Committee on Game and Fish.

Senate Bill 408 on First Reading

Senator Carney moved that Senate Rule 114 and Section 5 of Article III of the Constitution be suspended to permit his introducing at this time a bill, the provisions of which he explained.

The motion prevailed by the following vote:

Yeas—28

Aikin	Carney
Ashley	Colson
Bell	Corbin
Bracewell	Cousins

Hardeman	McDonald
Harris	Moffett
Hazlewood	Morris
Hudson	Phillips
Jones	Proffer
Kelley of Hidalgo	Shofner
Kelly of Tarrant	Strauss
Lane	Taylor
Lock	Tynan
Martin	Vick

Absent—Excused

Bullock	Weinert
Moore	

By Senators Carney, Shofner and Aikin:

S. B. No. 408, A bill to be entitled "An Act to amend Sections 1, 14, 15, 16 and 17 of Senate Bill 296, Chapter 344, 50th Legislature, Regular Session; and declaring an emergency."

To Committee on State Affairs.

Senate Bill 409 on First Reading

Senator Bell moved that Senate Rule 114 and Section 5 of Article III of the Constitution be suspended to permit his introducing at this time a bill, the provisions of which he explained.

The motion prevailed by the following vote:

Yeas—27

Aikin	Lane
Ashley	Lock
Bell	Martin
Bracewell	McDonald
Carney	Moffett
Colson	Morris
Corbin	Phillips
Cousins	Proffer
Hardeman	Shofner
Harris	Strauss
Hazlewood	Taylor
Hudson	Tynan
Jones	Vick
Kelley of Hidalgo	

Nays—1

Kelly of Tarrant

Absent—Excused

Bullock	Weinert
Moore	

By Senator Bell:

S. B. No. 409, A bill to be entitled "An Act for the purpose of preserving the faith and credit of the

State and its agency, the City of Port Lavaca, Texas, to which State General Fund Ad Valorem Taxes have been donated or granted; making an appropriation to such city of an amount of money equivalent to that which it would have received if such tax had been levied in the year 1948; enacting other matters relating to the subject; and declaring an emergency."

To Committee on Finance.

Senate Bill 410 on First Reading

Senator Tynan moved that Senate Rule 114 and Section 5 of Article III of the Constitution be suspended to permit his introducing at this time a bill, the provisions of which he explained.

The motion prevailed by the following vote:

Yeas—28

Aikin	Kelly of Tarrant
Ashley	Lane
Bell	Lock
Bracewell	Martin
Carney	McDonald
Colson	Moffett
Corbin	Morris
Cousins	Phillips
Hardeman	Proffer
Harris	Shofner
Hazlewood	Strauss
Hudson	Taylor
Jones	Tynan
Kelley of Hidalgo	Vick

Absent—Excused

Bullock	Weinert
Moore	

By Senator Tynan:

S. B. No. 410, A bill to be entitled "An Act to create an additional Criminal District Court for the County of Bexar; to be known as 'Criminal District Court No. 2 of Bexar County' and to provide for the jurisdiction, and organization of, and procedure in said Court; providing for concurrent jurisdiction with the Criminal District Court of Bexar County; to provide for the transferring and docketing of cases, and to provide for the trial and disposition of causes during the absence or inability to serve of either Judge; to provide for the appointment and election, qualification, jurisdiction, duties, powers and compensation of a Judge thereof; to provide

for a seal; providing for the use of certified copies in evidence; and to provide for a Sheriff, Clerk and Attorney thereof; and to provide for the appointment and pay for Special Deputy Clerks; to fix the time for holding terms thereof and to provide for jury service and empaneling of grand juries; to limit and conform thereto jurisdiction of the Criminal District Court of Bexar County; to provide for the abolition of County Court at Law No. 2 of Bexar County, Texas and the transfer of all civil cases in said Court to County Court at Law No. 1 of Bexar County, and the transfer of all misdemeanor cases now pending in the County Courts at Law Nos. 1 and 2 of Bexar County, Texas, to the docket of the Criminal District Court No. 2 of Bexar County, Texas; validating all orders and process made and issued prior to such transfer; providing and fixing the salary for said District Judge and the time and manner of payment; to repeal all laws and parts of laws in conflict herewith, and to provide the date upon which this Act shall become effective; providing a savings clause, and declaring an emergency."

To Committee on Judicial Districts.

Senate Concurrent Resolution 31

Senator Hardeman offered the following resolution:

S. C. R. No. 31, Providing for the disposition of the water utilities system at the Brady State School to the City of Brady, and providing for conditions of sale.

Whereas, The Federal Government is anxious to deed to the State of Texas, through the State Board of Control and the Brady State School for Delinquent Negro Girls at Brady, Texas, along with the entire Prisoner of War Camp, the water utilities at no cost to the State. (This school has been using the entire facilities of this former Prisoner of War Camp since August 1, 1946); and,

Whereas, The Federal Government established a deep water well on City property and supplied all equipment and pipe to the camp, and the City during the war paid the Federal Government for this equipment and line (by discounts on water bills) approximately \$6,000, an equity the City now has in this water system; and,

Whereas, The City does not wish to

lose this equity, and the Federal Government wishes to close out its holdings and not prolong payments from the City; and,

Whereas, The State will have fee simple title to this War Camp and the water utility equipment and easement rights on the property over which the water utility system lines are laid after August 1, 1951, then being free to sell any part of it (having completed the five years of occupancy and use necessary for 100 per cent discount based on accrued public benefits); now, therefore, be it

Resolved, By the Senate, the House of Representatives concurring, that on August 1, 1951, the State Board of deed this water system and equipment outside the bounds of the school (the former camp) to the City of Brady. In return for this the City will enter into a contract to supply water approved for human consumption for a period of twenty (20) years from that date, or to August 1, 1971, in the following minimum amounts:

A. One Hundred (100) gallons per day per person at the school and in addition to this for irrigation purposes,

B. A total of Four Million (4,000,000) gallons in one calendar year, not over two million (2,000,000) gallons in one calendar month, nor more than One Hundred Thousand (100,000) Gallons in any twenty-four hour-period, and at a rate of five (5c) cents per thousand gallons.

Be it further stipulated that the above Section B for irrigation water be binding upon the City so long as adequate water supply is available. When the City fails to meet the irrigation requirements of this contract the burden of proof that inadequate water is available shall rest upon the City.

Be it further stipulated that in the event the conditions imposed by the contract upon the City of Brady are not carried out by the said City of Brady during the term of this proposed contract then the property and all rights therein shall revert to the State of Texas.

Be it further stipulated that should the total water supply fail to the extent that water need be imported, the State would pay its pro rata share at the same average cost borne by the City in supplying other customers.

The resolution was read and was referred to the Committee on State Affairs.

Senate Resolution 83

Senator Proffer offered the following resolution:

Whereas, We are honored today to have in the gallery Mr. H. G. Shepard, Professor of Business Writing and Business Correspondence, and twelve senior and graduate students of the School of Business Administration of North Texas State Teachers College, Denton, Texas; and

Whereas, These students and professor are on an educational tour of the Capitol Building and the Capital City; now, therefore, be it

Resolved, That these guests be officially welcomed and recognized by the Senate, and that they be extended the courtesies of the floor for the day; and be it further

Resolved, That a certified copy of this Resolution be presented to Mr. Shepard and the twelve students.

The resolution was read and was adopted.

Senate Resolution 84

Senator Kelley of Hidalgo offered the following resolution:

Whereas, It is the custom to have the photographs of the Governor, Lieutenant Governor, Senators and Secretary of the Senate, hung in the Senate at the end of each Legislative session; now, therefore, be it

Resolved by the Senate of Texas, that a committee of three Senators be appointed to arrange for having photographs made of the Governor, Lieutenant Governor, Senators and Secretary of the Senate of the 51st Legislature, and that their pictures be hung in the Senate Chamber, and the expense of making the pictures and the hanging shall be paid out of the contingent fund.

The resolution was read and was adopted.

Senate Resolution 85

Senator Cousins offered the following resolution:

Whereas, The Senior Class of Sour Lake High School of Sour Lake, Texas: Mary Louise Hooks, Ruby Katherine Griffin, Mary Elizabeth Pipkin, Mary Louise Williamson, Grace Bar-

ron, Douglas Benson, Darrell Welch, Martha Nixon, Signora Scott, Billy Millhollan, Jerry Parrott, Bailey Fawvor, Henry Ben Jacobson, Tommy Jacobson, and Arnold Pelt, together with their superintendent, Mr. J. R. Curlee, their teacher, Mr. O. E. Henderson, and their chaperons, Mrs. Ike Pipkin and Mrs. J. J. Hooks, are visitors in the Senate on March 21, 1949; and

Whereas, The above Senior Class has shown their desire to learn of the functions of their State Government so that upon reaching the age of voting they can intelligently participate; and

Whereas, The Senate of the State of Texas appreciates the interest shown by these students and their sponsors by making this trip to Austin; and

Whereas, The Lions Club of Sour Lake, Texas, has patriotically sponsored this trip by helping financially; and, now, therefore, be it

Resolved, By the Senate of the State of Texas, that we extend the privileges of the floor to these students; that the Senate of the State of Texas does hereby extend its thanks to the Lions Club of Sour Lake, Texas, for its support; and that a copy of this Resolution, under seal of the Senate, be forwarded to each member of the Senior Class of Sour Lake High School, and to Mr. J. R. Curlee, Mr. O. E. Henderson, Mrs. Ike Pipkin, Mrs. J. J. Hooks, and to the Lions Club of Sour Lake, Texas, as evidence of this recognition.

The resolution was read and was adopted.

Senate Concurrent Resolution 32

Senator Bell offered the following resolution:

S. C. R. 32, Extending congratulations to Mr. Joseph Wearden, President of the Groce-Wearden Company of Victoria, Texas.

Whereas, The Groce-Wearden Company of Victoria, Texas, is one of the outstanding business concerns of Texas and the Southwest, and

Whereas, This Company has pioneered in the wholesale grocery field, developing new methods of serving the needs of retail grocers and consumers scattered over 100,000 square miles of Texas, and

Whereas, This Company has been

distinguished by its civic leadership in its home town of Victoria and in the cities of Bay City, Flatonia, Cuero, Beeville, Corpus Christi, Alice, and Donna where its branch houses are located, and

Whereas, The system of employee benefits now in effect in the Groce-Wearden Company is one of the finest systems of its kind in the Southwest, including group life insurance, group hospitalization, group hospitalization for employees' families, group maternity benefits, a pension and profit-sharing trust, and vacations with pay, and

Whereas, The Groce-Wearden Company's president and executive chairman, Joseph Wearden, is a distinguished citizen of Texas, having served as mayor of Goliad, president of the Texas Wholesale Grocers Association, and a member of the Texas Prison Board for fourteen years from 1927 to 1941, serving as chairman of this board for two years, and

Whereas, The Groce-Wearden Company recently completed forty years of progress in the Southwest, and

Whereas, In celebration of this fortieth anniversary, the Groce-Wearden Company published an anniversary brochure entitled, "Life Begins At Forty," a copy of which has been placed upon every member's desk; now, therefore, be it

Resolved, By the Senate, the House of Representatives concurring, that the Fifty-First Legislature of Texas, in regular session assembled, extend its congratulations to the employees, stockholders, and officers of the Groce-Wearden Company, and to its president, Joseph Wearden of Victoria, on the completion of forty years of business and community achievement; and, be it further

Resolved, That the Secretary of the Senate is directed to transmit a duly authenticated copy of this Resolution to Mr. Joseph Wearden, President, Groce-Wearden Company, Victoria, Texas, as evidence of its congratulations and best wishes upon the fortieth anniversary of the Company's founding.

The resolution was read.

On motion of Senator Bell and by unanimous consent the resolution was considered immediately and was adopted.

Message From the Governor

The following message, received from the Governor today, was laid before the Senate, read, and referred to the Committee on Nominations of the Governor:

Austin, Texas,
March 16, 1949.

To the Senate of the Fifty-first Legislature:

I ask the advice, consent and confirmation of the Senate with respect to the following appointments:

To be members of the Board of Directors of the Upper Guadalupe River Authority:

For terms to expire January 1, 1953:

Frank A. Thomason of Center Point;
W. A. Fawcett of Kerrville;

For terms to expire January 1, 1955:

Milton Pampell of Kerrville,
Hal Peterson of Kerrville.

The State Board of Water Engineers has recommended to me for consideration the following as Directors of the Guadalupe-Blanco River Authority:

Edgar Engelke of Seguin; W. H. Smith of Victoria; H. M. Davenport of Prairie Lea.

The above named persons are nominated as directors of said District for six year terms to expire February 1, 1955.

These nominations are submitted to the Senate for confirmation, in compliance with Title 128, Ch. 8, General Laws of the State of Texas, (Sec. 4, page 558, Vernon's Civil Statutes, Vol. 21.)

Respectfully submitted,
BEAUFORD H. JESTER,
Governor of Texas.

Motion to Set Senate Bill 24 as Special Order

Senator Moffett moved that Senate Bill No. 24 be set as a special order for Monday, March 28, 1949, immediately following the morning call.

The motion was lost by the following vote:

Yeas—13

Carney	Hudson
Colson	Jones

Kelly of Tarrant
Lock
Moffett
Morris
Phillips

Strauss
Taylor
Tynan
Vick

Nays—14

Aikin
Ashley
Bell
Bracewell
Corbin
Hardeman
Harris

Kelley of Hidalgo
Lane
Martin
McDonald
Moore
Proffer
Shofner

Absent

Cousins

Hazlewood

Absent—Excused

Bullock

Weinert

Message from the House

Hall of the House of Representatives,
Austin, Texas,
March 21, 1949.

Hon. Allan Shivers, President of the Senate.

Sir: I am directed by the House to inform the Senate that the House has passed the following Bill:

S. B. No. 287, A bill to be entitled "An Act to amend Article XX of House Bill No. 8, Chapter 184, Acts of the Regular Session of the Forty-seventh Legislature, as amended, by adding thereto a new sub-section to be numbered (4-b); providing for the appropriation, allocation, and transfer of funds from the Clearance Fund to a fund to be known as the Farm-to-Market Road Fund of the State Highway Department of the State of Texas, in amount of \$1,250,000.00 per month beginning September 1, 1949, for construction of Farm-to-Market Roads; repealing all laws or parts of laws in conflict with the provisions of said Act; providing a saving clause; and declaring an emergency."

Respectfully submitted,

CLARENCE JONES,
Chief Clerk, House of Representatives.

Senate Bill 21 on Passage to Engrossment

The President laid before the Senate as unfinished business, on its passage to engrossment:

S. B. No. 21, A bill to be entitled "An Act to promote safe driving

and to remove from the highways the reckless and financially irresponsible drivers by providing for proof of financial responsibility and requiring security of owners and operators of motor vehicles following accidents; defining certain words and phrases; prescribing the duties and vesting power to administer the provisions of this Act in the Department of Public Safety and making appropriation therefor, etc.; and declaring an emergency."

The bill having been read second time on Tuesday, March 15, 1949.

(Senator Moffett in the Chair)

Question—Shall the bill be passed to engrossment?

(President in the Chair)

Executive Session

At 11:30 o'clock a.m. the President announced that the hour previously agreed upon for an Executive Session had arrived.

Accordingly the President directed all those not entitled to attend the executive session of the Senate to retire from the Senate Chamber and instructed the Sergeant-at-Arms to close all doors leading from the Chamber.

At the conclusion of the executive session, the Secretary informed the Journal Clerk that the Senate had confirmed the following nominations of the Governor:

To be members of the Board of Nurse Examiners: Miss Laura Cole of Temple, Bell County, to fill the unexpired term of Mrs. Eloween Mesch, resigned, term to expire April 9, 1949; Miss Maurine Bridwell of San Angelo, Tom Green County, to fill the unexpired term of Blanche Thompson, resigned, term to expire April 9, 1951;

To be a member of the State Board of Nurse Examiners to fill the unexpired term of Sister Antonia O'Donahue, resigned, term to expire April 9, 1949; Sister Catherine Elizabeth of Fort Worth, Tarrant County;

To be member of the Liquor Control Board to fill the unexpired term of Honorable Fred Minor, resigned, term to expire November 15, 1949:

J. Gordon (Obie) Bristow of Big Spring, Howard County;

To be member of the Liquor Control Board for a six year term to expire November 15, 1953: Leonard B. Brown of Kerrville, Kerr County;

To be Chairman of the Liquor Control Board (to succeed Fred Minor): Leonard B. Brown of Kerrville, Kerr County;

To be a member of the State Board of Medical Examiners to fill the unexpired term of Dr. H. F. Connolly, deceased, term to expire April 13, 1953: Dr. L. H. Denman of Lufkin, Angelina County;

To be members of the Game, Fish and Oyster Commission for six year terms to expire September 1, 1953: Gene Howe of Amarillo, Potter County; V. F. (Doc) Neuhaus of McAllen, Hidalgo County;

To be members of the State Board of Health for six year terms to expire June 12, 1953: Dr. A. W. Rogers of Corsicana, Navarro County; Dr. John H. Mitchell of Tyler, Smith County; Dr. T. C. Terrell of Fort Worth, Tarrant County.

In Legislative Session

The President called the Senate to order as in Legislative Session at 1:25 o'clock p.m.

Committee to Arrange for Block Picture

In accordance with the provisions of S. R. No. 84, the President announced the appointment of the following committee:

Senators Kelley of Hidalgo, Phillips and Shofner.

Recess

Senator Vick moved that the Senate adjourn until 10:00 o'clock a.m. tomorrow.

Senator Morris moved that the Senate recess to 3:00 o'clock p.m. today.

Question first recurring on motion to adjourn, yeas and nays were demanded.

The motion was lost by the following vote:

Yeas—13

Ashley	Lane
Bracewell	Martin
Corbin	McDonald
Hardeman	Moffett
Hazlewood	Proffer
Hudson	Vick
Jones	

Nays—15

Aikin	Lock
Bell	Moore
Carney	Morris
Colson	Phillips
Cousins	Strauss
Harris	Taylor
Kelley of Hidalgo	Tynan
Kelly of Tarrant	

Absent

Shofner

Absent—Excused

Bullock Weinert

Question next recurring on the motion to recess to 3:00 o'clock p.m. today, it prevailed.

The Senate accordingly, at 1:30 o'clock p.m., took recess to 3:00 o'clock p.m. today.

Afternoon Session

The Senate met at 3:00 o'clock p.m. and was called to order by the President.

Senate Bill 21 on Passage to Engrossment

The Senate resumed consideration of pending business, same being S. B. No. 21 on its passage to engrossment.

Question—Shall the bill be passed to engrossment?

Senator McDonald moved to re-commit the bill to the Committee on Finance.

Senator Morris moved to table the motion to re-commit the bill.

The motion to table prevailed by the following vote:

Yeas—20

Aikin	Harris
Bell	Hazlewood
Carney	Hudson
Hardeman	Jones

Kelley of Hidalgo	Phillips
Kelly of Tarrant	Proffer
Lane	Shofner
Lock	Taylor
Moffett	Tynan
Morris	Vick

Nays—6

Ashley	Martin
Colson	McDonald
Corbin	Strauss

Absent

Bracewell	Moore
Cousins	

Absent—Excused

Bullock	Weinert
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Senator Hazlewood offered the following amendment to the bill:

Amend S. B. No. 21, page 4, line 4, thereof, as amended, by striking out the figures \$100.00 and inserting in lieu thereof the following figures: \$200.00.

The amendment was adopted.

On motion of Senator Morris and by unanimous consent, the caption was amended to conform with the body of the bill as amended.

The bill was passed to engrossment.

Senate Bill 21 on Third Reading

Senator Morris moved that the constitutional rule requiring bills to be read on three several days be suspended and that S. B. No. 21 be placed on its third reading and final passage.

The motion prevailed by the following vote:

Yeas—23

Aikin	Lock
Bell	Moffett
Bracewell	Moore
Carney	Morris
Colson	Phillips
Hardeman	Proffer
Harris	Shofner
Hazlewood	Strauss
Jones	Taylor
Kelley of Hidalgo	Tynan
Kelly of Tarrant	Vick
Lane	

Nays—4

Ashley	Martin
Corbin	McDonald

Absent

Cousins	Hudson
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Absent—Excused

Bullock	Weinert
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The President then laid the bill before the Senate on its third reading and final passage.

The bill was read third time and was passed by the following vote:

Yeas—17

Bracewell	Martin
Carney	Moffett
Hardeman	Moore
Harris	Morris
Hazlewood	Phillips
Hudson	Proffer
Kelley of Hidalgo	Shofner
Kelly of Tarrant	Tynan
Lane	

Nays—11

Aikin	Colson
Ashley	Corbin
Bell	Jones
Lock	Taylor
McDonald	Vick
Strauss	

Absent

Cousins	
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Absent—Excused

Bullock	Weinert
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Senate Bill 208 on Second Reading

On motion of Senator Harris and by unanimous consent, the regular order of business was suspended to take up for consideration at this time:

S. B. No. 208, A bill to be entitled "An Act providing for regulation of life insurance and health and accident insurance issued in connection with loan transactions; defining credit insurance and certain other terms for the purposes of this Act, etc.; and declaring an emergency."

The bill was read second time.

Senator Harris offered the following Committee Amendment to the bill:

Committee Amendment No. 1

Amend Senate Bill No. 208 by striking out all below the enacting

clause and inserting in lieu thereof the following:

Section 1. The following words and phrases as used in this Act shall have the following meanings unless a different meaning is plainly required by the context:

A. "Insurer" means any company, corporation, Lloyds, Reciprocal, Fraternal, inter-insurance exchange, mutual assessment association, or other insurance carrier licensed to transact an insurance business in this State.

B. (1). "Credit life insurance", and "Credit health and accident insurance" mean personal insurance in which the insured are borrowers of sums of money not exceeding One Thousand (\$1,000) Dollars from lenders who retain an interest in the insurance as security to the loan, and any other personal insurance written in connection with or as a part of such loan transaction. "Credit health insurance" and "Credit health and accident insurance" as used in this Act shall never be taken to mean or refer to any contract insuring performance of any undertaking or agreement, and are expressly limited in their coverage to the contingencies of death or loss resulting from sickness and accident.

(2). The provisions of this Act shall apply only to the writing of "Credit Life Insurance" and "Credit Health and Accident Insurance", as defined in this Act, both as to "Insurer" and "Insurance Agent" and "Lender Agent" as defined in this Act.

C. "Insurance agent" means any person, firm, or association of persons now or hereafter required by law to be licensed as an insurance agent.

D. "Lender agent" means any insurance agent who may also be in the business of making loans individually or as employee, agent, or officer of any person, corporation, or association of persons in the loan business.

E. "Lender" means any person, firm, corporation or association of persons engaged in the business of making loans.

F. "Loan" shall mean the total indebtedness of the borrower to the lender, whether evidenced by one or more promissory notes or otherwise.

G. "Board" shall mean the Board of Insurance Commissioners of the State of Texas.

Section 2. A. The State of Texas shall assess and collect from each credit insurer writing credit insurance

in Texas an annual fee for such privilege not exceeding \$300.00 which shall be independent of and in addition to all other fees and taxes now imposed, or which may hereafter be imposed by law against any credit insurer. Such assessment shall be made by Order of the Board of Insurance Commissioners. Said fees, when collected, shall be paid to the State Treasurer, to be deposited in the General Fund of the State.

B. It shall be the duty of the Board to make and file a schedule of reasonable and adequate maximum rates which may be charged by credit insurers on credit insurance policies. Such schedule of rates shall be made and filed only after hearing, notice of which shall be sent by the Board by first class mail to each insurer writing credit insurance within this State, not less than ten (10) days before the hearing. To insure the adequacy and reasonableness of such maximum rates, the Board may take into consideration experience gathered from territories within this State sufficiently broad to include the varying conditions of the risks involved, and over a period sufficiently long to insure that the maximum rates determined therefrom shall be just and reasonable as they may apply to the insuring public, and adequate and non-confiscatory as they may apply to credit insurers. The Board is hereby authorized and empowered to require sworn statements from any credit insurer transacting the business of credit insurance within this State, showing its experience in premiums collected and claims paid over a reasonable period of time and such other information as the Board shall find to be necessary or helpful in making the maximum rate schedules. After said maximum schedules have been so made and filed, the Board shall cause to be mailed a copy of such maximum rate schedules to each credit insurer transacting business in this State. Each credit insurer shall file with the Board duplicate copies of the rate schedules adopted by it, which rate schedules shall be so filed within thirty days from the date the maximum rate schedule was placed in the mails by the Board. If the Board shall approve the schedule or rates so filed by the insurers, the Board shall indorse its approval and the date thereof on both copies, one of which shall be retained by the Board and the other copy returned to the

insurer to be kept as a part of its permanent files. With the consent of the Board an insurer may change the rates by adopting and filing with the Board a new rate schedule in the same manner as hereinabove provided, but in each instance each rate shall be within the maximum theretofore promulgated by the Board.

C. It shall be the continuing duty of the Board to gather such data, statistics and information as it can from time to time with respect to the experience of credit insurers within and without the State of Texas as it may find beneficial in fixing and maintaining reasonable and adequate credit insurance rates from time to time.

Section 3. This Act shall apply to and embrace all insurers, insurance agents, lenders, and lender agents, who may write or solicit credit insurance in this State.

Section 4. No lender or lender agent shall hereafter require as a condition for the making of a loan that the borrower purchase either credit life or credit health and accident insurance from such lender, lender agent or any insurer represented by them. It shall be permissible for such lender or lender agent to require of a borrower such credit life or credit health and accident insurance or both as a condition for making the loan, if, and only if, the borrower is given the option to purchase such insurance from any insurer or insurance agent of his own choice. It is the intent of this section to prohibit coercion of insurance and to preserve to each citizen the right to choose his own insurer and insurance agent.

Section 5. No insurer, insurance agent, lender or lender agent shall knowingly solicit, issue or deliver or knowingly permit to remain in effect or force more than one policy of credit life insurance or more than one policy of credit health and accident insurance, either or both in connection with any loan, irrespective of the number of persons obligated on the loan.

Section 6. Commissions received by lenders, lender agents and insurance agents from insurers for the writing of credit insurance complying with the terms of this Act, the maximum rates promulgated by the Board, and rules and regulations of the Board of Insurance Commissioners, shall be

considered for all purposes as compensation for services rendered to such insurer and shall not be taken to be an interest charge on the money borrowed; provided, however, should such commissions be in excess of any maximum fixed hereunder, then such commissions shall be deemed to be an interest charge on the money borrowed. No agreements by insurers with any of its agents shall permit contingent commissions based on loss experience.

Section 7. No policy of credit insurance shall hereafter be solicited, written or delivered in this State, except on substantial compliance with the following requirements:

A. The insurer shall receive from the borrower a written application for such insurance, signed by him, setting out:

1. The kind, amount and term of coverage applied for.
2. The premium to be charged for each coverage.
3. The amount and date of the loan note.
4. The amount and frequency of the installment payments; and
5. A statement by the applicant that he was given the option to purchase such insurance from any insurer or agent of his own choice, and that he freely chose the insurer and agent to whom the application is made. The form of such application shall be filed with and approved by the Board at such time as the Board shall direct.

B. Credit life insurance policies shall insure against the contingency of death from any cause whatsoever and shall be incontestable from date of issue; except that with approval of the Board, the policy may provide for reduced benefits in the event of suicide by the insured. The terms of such life insurance policies shall not extend more than one month beyond the term of the loan, or one year, whichever is greater.

C. Credit health and accident policies shall insure against the contingency of disability from sickness or accident of every kind and character whatsoever, originating and occurring within the term of the policy; except that with approval of the Board, the policy may provide for reduced benefits in the event of pregnancy or self-inflicted injury. The terms of such health and accident policies shall not extend more than one month beyond the term of the loan. The policy of

health and accident insurance may provide an amount of insurance in such proportion to the unpaid balance of the loan as shall be approved by the Board.

D. The policies of health and accident and of life insurance shall be non-cancellable by the insurer during the term. Life insurance policies shall be non-cancellable by the insured and the premium shall be considered fully earned when paid. Health and accident insurance policies may be cancelled by the insured upon payment of the loan, and the unearned portion of the premium, calculated on such basis as the Board shall approve, shall be refunded to the insured.

E. The forms of credit insurance policies shall be filed with and approved by the Board before such policies may be issued or delivered. The premium rates to be charged for credit insurance shall be filed and approved by the Board.

Section 8. Rates which have heretofore been adopted in full compliance with any orders, rules or regulations of the Board of Insurance Commissioners and which are in use by each credit insurer when this Act becomes effective may be continued to be used by such insurers until same may be changed by the Board as provided hereunder.

Section 9. The Board is hereby authorized to promulgate rules and regulations to carry out the spirit and purposes of this Act, including, but without limiting the generality hereof, the reserved requirements and records to be maintained on such business, the method of insurance and delivery of the policies, and the standards and methods for the settlement of claims.

Section 10. Any rate, premium, or assessment charged and collected by an insurer, insurance agent, or lender agent in excess of the rate, premium, or assessment set out in said insurer's rate schedule on file with the Board, and in force at the time, is declared to be an exaction of interest on the money borrowed. It shall be the duty of the Board to report forthwith to the Attorney General of Texas any facts coming to its attention indicating that such excess rate, premium, or assessment has been charged and collected, and he in turn shall deliver such evidence to the proper District or County Attorney for proper legal proceedings under the usury

laws, or himself bring such proceedings.

Section 11. The Board upon hearing, after not less than ten (10) days notice, may cancel the permit or license of any insurer, insurance agent, or lender agent who violates any of the provisions of this Act.

Section 12. Any person having an interest in the subject matter of any order or finding of the Board shall have the right to a hearing before such Board, as the case may be. Appeal from any such order or finding may be made within 30 days from its date to one of the District Courts in Travis County, where the matter shall be heard and tried de novo.

Section 13. It shall be unlawful for any insurer writing credit insurance, insurance agent, lender agent, lender or their officers, agents, or employees, to charge, receive, or collect any rate, premium, or assessment on any policy of credit insurance other than the rate, premium, or assessment set out in said insurer's rate schedule on file with and approved by the Board and in force at that time. Any officer, agent, or employee of any credit insurer, insurance agent, lender agent, or lender, who charges, receives, or collects any rate, premium or assessment in violation of this Act, or any officer of such insurer, insurance agent, lender agent, or lender who knowingly permits it to be done shall be punished by fine not less than Five Hundred (\$500.00) Dollars, nor more than Two Thousand (\$2,000.00) Dollars or by imprisonment in the County Jail not to exceed two (2) years, or by both such fine and imprisonment.

Section 14. Nothing in this Act shall ever be construed to include or affect in any manner group life insurance issued under the provisions of House Bill 420, Chapter 208, page 366, Acts Fiftieth Legislature, 1947, or any other kind of insurance written by insurance carriers or their insurance agents other than credit life insurance and credit health and accident insurance as defined herein.

Section 15. All laws or parts of laws in conflict with the provisions of this Act are hereby expressly repealed to the extent of such conflict.

Section 16. The provisions of this Act are severable and in the event the courts declare any part of it unconstitutional, the other provisions of the Act shall, nevertheless, remain in full force and effect.

Section 17. The facts that many thousands of Texas citizens who are borrowers of moderate sums of money are now required by many lenders as a condition for making the loans that the borrower purchase from the lender policies of life insurance and health and accident insurance; that the premium rates charged in many cases are exorbitant and bear no reasonable relation to benefits provided by such policies; that in many cases the policies so purchased are never delivered to the insured borrowers; that frequently such borrowers never know they are entitled to any insurance protection notwithstanding the premiums for such insurance has been included in the amount of their loans; that there is no general law prohibiting coercion of insurance and preserving to each citizen the right to choose his own insurers and insurance agent; that there is no general law prescribing for the regulation of the sale of such insurance and providing for the protection of Texas citizens from such unscrupulous practices create an emergency and an imperative public necessity that the Constitutional Rule requiring bills to be read on three consecutive days in each House be, and said Rule is, hereby suspended, and it is so enacted.

The Committee Amendment was adopted.

Senator Harris offered the following Committee Amendment to the bill:

Amend Senate Bill No. 208 by striking out all above the enacting clause and inserting in lieu thereof the following:

A BILL TO BE ENTITLED

"An Act providing for regulation of life insurance and health and accident insurance issued in connection with loan transactions; defining credit insurance and certain other terms for the purposes of this Act; levying an annual fee upon insurers writing credit insurance to defray the expense of administering the Act; prohibiting coercion of insurance and preserving to each citizen the right to choose his own insurer and insurance agent; limiting the term of credit life insurance and credit health and accident insurance which may be required with respect to any loan; declaring certain commissions for the

sale of credit insurance legal and forbidding those above maximum rates or based on loss experience; requiring a written application preliminary to the issuance of credit insurance policies, prescribing information to be submitted in such applications and requiring the form thereof to be filed with and approved by the Board of Insurance Commissioners; prescribing the contingencies to be insured against in credit life insurance policies and credit health and accident insurance policies; making provision for the maximum terms of such policies; prescribing that such policies are non-cancellable by the insurer, that credit life insurance policies are non-cancellable by the insured, and that credit health and accident policies may be cancelled by the insured on payment of the loan which it secures, and providing for the return of the unearned premium; requiring the forms of credit insurance policies to be filed with and approved by the Board of Insurance Commissioners; providing that rates heretofore adopted by credit insurers may remain in effect until new rates have been filed as provided in the Act; authorizing the Board of Insurance Commissioners to promulgate rules and regulations to carry out the purposes of this Act, including the prescribing of rates and amount of credit life and credit health and accident insurance that may be written incident to the loan; declaring rates charged and collected in excess of approved rates to be interest on money borrowed; authorizing the Board of Insurance Commissioners to cancel license of any insurer or agent violating any provision of this Act; authorizing appeals from orders of the Board of Insurance Commissioners; making it unlawful for any insurer, insurance agent, lender agent, or lender, as defined in the Act, or their officers, agents, or employees to charge, receive, or collect any rate, premium, or assessment other than the legal one and fixing a penalty for violation of such provision; providing that this Act shall never apply to Group Life Insurance issued in accordance with House Bill 420, Acts of the Fiftieth Legislature; repealing all laws or parts of laws in conflict with this Act to the extent of such conflict; declaring the provisions of this Act to be severable; and declaring an emergency."

The Committee Amendment was adopted.

The bill was passed to engrossment.

Senate Bill 208 on Third Reading

Senator Harris moved that the constitutional rule requiring bills to be read on three several days be suspended and that S. B. No. 208 be placed on its third reading and final passage.

The motion prevailed by the following vote:

Yeas—27

Aikin	Lane
Ashley	Lock
Bell	Martin
Bracewell	McDonald
Carney	Moffett
Colson	Moore
Corbin	Morris
Hardeman	Phillips
Harris	Proffer
Hazlewood	Shofner
Hudson	Taylor
Jones	Tynan
Kelley of Hidalgo	Vick
Kelly of Tarrant	

Absent

Cousins Strauss

Absent—Excused

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The President then laid the bill before the Senate on its third reading and final passage.

The bill was read third time and was passed by the following vote:

Yeas—27

Aikin	Lock
Ashley	Martin
Bell	McDonald
Bracewell	Moffett
Carney	Moore
Colson	Morris
Corbin	Phillips
Hardeman	Proffer
Harris	Shofner
Hazlewood	Strauss
Hudson	Taylor
Jones	Tynan
Kelley of Hidalgo	Vick
Kelly of Tarrant	

Absent

Cousins Lane

Absent—Excused

Bullock Weinert

Senate Resolution 21

On motion of Senator Phillips and by unanimous consent, the regular order of business was suspended to take up Senate Resolution No. 21, relating to the imports of foreign crude oil to this country, for consideration at this time.

The resolution having been offered on Wednesday, January 26, 1949, and at that time referred to the Committee on Oil, Gas and Conservation.

Question—Shall the resolution be adopted?

Bill Signed

The President signed in the presence of the Senate, after giving due notice thereof, the following enrolled bill:

S. B. No. 287, A bill to be entitled "An Act to amend Article XX of House Bill No. 8, Chapter 184, Acts of the Regular Session of the Forty-seventh Legislature, as amended, by adding thereto a new sub-section to be numbered (4-b); providing for the appropriation, allocation, and transfer of funds from the Clearance Fund to a fund to be known as the Farm-to-Market Road Fund of the State Highway Department of the State of Texas, in amount of \$1,250,000.00 per month beginning September 1, 1949, for construction of Farm-to-Market Roads; repealing all laws or parts of laws in conflict with the provisions of said Act; providing a saving clause; and declaring an emergency."

Reports of Standing Committee

By unanimous consent, Senator Moffett submitted the following reports:

Austin, Texas,
March 16, 1949.

Hon. Allan Shivers, President of the Senate.

Sir: We, your Committee on Agriculture, to whom was referred S. B. No. 374, have had the same under consideration, and I am instructed to report it back to the Senate with the recommendation that it do pass and be printed.

MOFFETT, Chairman.

Austin, Texas,
March 16, 1949.

Hon. Allan Shivers, President of the Senate.

Sir: We, your Committee on Ag-

riculture, to whom was referred S. B. No. 380, have had the same under consideration, and I am instructed to report it back to the Senate with the recommendation that it do pass and be printed.

MOFFETT, Chairman.

Adjournment

On motion of Senator Vick, the Senate at 4:20 o'clock p.m., adjourned until 10:00 o'clock a.m. tomorrow.

THIRTY-NINTH DAY

(Tuesday, March 22, 1949)

The Senate met at 10:00 o'clock a.m., pursuant to adjournment, and was called to order by the President.

The roll was called and the following Senators were present:

Aikin	Lane
Ashley	Lock
Bell	Martin
Bracewell	Moffett
Carney	Moore
Colson	Morris
Corbin	Phillips
Cousins	Proffer
Hardeman	Shofner
Harris	Strauss
Hazlewood	Taylor
Hudson	Tynan
Jones	Vick
Kelley of Hidalgo	Weinert
Kelly of Tarrant	

Absent—Excused

Bullock McDonald

A quorum was announced present.

Reverend Frank Luker, Chaplain, offered the invocation.

On motion of Senator Colson, and by unanimous consent, the reading of the Journal of the proceedings of yesterday was dispensed with and the Journal approved.

Leaves of Absence Granted

Senator McDonald was granted leave of absence for today on account of important business on motion of Senator Phillips.

Senator Bullock was granted leave of absence for today on account of

important business on motion of Senator Hudson.

Reports of Standing Committees

Senator Kelly of Tarrant submitted the following reports:

Austin, Texas,
March 21, 1949.

Hon. Allan Shivers, President of the Senate.

Sir: We, your Committee on Judicial Districts, to whom was referred Senate Bill 405, have had same under consideration, and I am instructed to report it back to the Senate with the recommendation that it do pass.

KELLY of Tarrant, Chairman.

Austin, Texas,
March 21, 1949.

Hon. Allan Shivers, President of the Senate.

Sir: We, your Committee on Judicial Districts, to whom was referred Senate Bill 341, have had same under consideration, and I am instructed to report it back to the Senate with the recommendation that it do pass.

KELLY of Tarrant, Chairman.

Austin, Texas,
March 21, 1949.

Hon. Allan Shivers, President of the Senate.

Sir: We, your Committee on Judicial Districts, to whom was referred Senate Bill 108, have had same under consideration, and I am instructed to report it back to the Senate with the recommendation that it do pass.

KELLY of Tarrant, Chairman.

Austin, Texas,
March 21, 1949.

Hon. Allan Shivers, President of the Senate.

Sir: We, your Committee on Judicial Districts, to whom was referred Senate Bill 346, have had same under consideration, and I am instructed to report it back to the Senate with the recommendation that it do pass.

KELLY of Tarrant, Chairman.

Austin, Texas,
March 21, 1949.

Hon. Allan Shivers, President of the Senate.

Sir: We, your Committee on Judicial Districts, to whom was referred